

1210.01 Charges for Support of Civil Service (CS), and Employer's Contribution for Retirement

Issued January 1, 1994

SUBJECT: Charges for Support of Civil Service (CS), and Employer's Contribution for Retirement.

APPLICATION: Executive Branch Departments and Sub-units.

PURPOSE: To provide guidelines for charges against restricted revenue accounts for 1% support of CS and employer's contribution to state employees' and public school employees' retirement funds not covered in an appropriation act.

CONTACT AGENCY: Department of Management and Budget (DMB) - Office of Financial Management (OFM).

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SUMMARY: These guidelines implement Public Act 431 of 1984, as amended, § 460 to charge recurring and non-recurring project type grants not covered in an appropriation act financed from restricted revenues. Each such project application and budget must include required percentages for support of CS and employer's contribution to the retirement fund.

The CS charges are based on 1% of classified salary and wage payments made 2 fiscal years prior, for support of CS. Percentage used for retirement funds is obtained from DMB Budget Offices and is based on current year. If grant year and fiscal year overlap, percentages for fiscal year in which the grant begins are used.

Retirement and CS assessments may be allowed as a direct cost item in the budget with the grantor or be allowable in determining the indirect cost allowance. If there is a direct cost allowance, contributions are made directly to CS. If there is an indirect cost allowance, CS and retirement contributions are made to the general fund which supports these programs.

If there is no direct or indirect allowance, charges for CS and retirement contributions are not made.

The balance of appropriations required to finance CS and employer's share of state employees retirement system are made from general purpose revenues of state funds from which classified salary payments are made.

APPLICABLE FORMS: A-22, Inter-Account Bill (IAB).

PROCEDURES:

Agency:

- Charges restricted revenue expenditure account.
 - General fund agencies credit the account for revenue from charges to a recurring and non-recurring program for CS, retirement, etc.

- If other than general fund is involved, obtains account number from DMB, OFM, Financial Control Division.
- Processes Form A-22, Inter-Account Bill (IAB), for each grant quarter or year as applicable.
 - Computes IAB amount multiplying proper percentages by salaries and wages expenditures for appropriate quarter or year.
 - Enters calculation on IAB; includes nature of transaction and period covered.
- Documents charge in project records for grant quarter or grant year.

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